

Downtown Revitalization

REQUEST FOR QUALIFICATIONS

November 5, 2010



CITY OF

SOUTH PASADENA

Community Redevelopment Agency
1414 Mission Street
South Pasadena, California 91030

Message from the Chair

November 5, 2010

Gentlemen/Ladies:

**Subject: Request for Qualifications (RFQ)
Downtown Revitalization
City of South Pasadena**

The City of South Pasadena invites Statements of Qualifications from qualified developers for the development of a high quality mixed-use commercial retail and residential project in South Pasadena's downtown.

Statements in response to this RFQ are to be received by the city no later than **4:00 PM on Monday, January 31, 2011**.
Statements of Qualifications are to be submitted to:

**Sergio Gonzalez, Assistant City Manager
City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030
(626) 403-7214**

Statements received after this date and time, may at the discretion of the City, be rejected without consideration.

Information about the contents of the Statement to be submitted in response to this RFQ is contained in the attached instructions to the RFQ.

Sincerely,

Odom Stamps, Chair
Community Redevelopment Commission

Background of the City of South Pasadena

The City of South Pasadena is a full-service city, maintaining its own Police and Fire Departments, an active Parks and Recreation program and an outstanding Public Library.



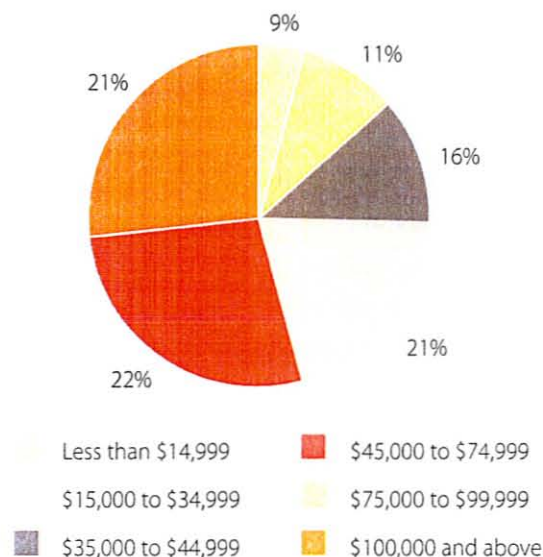
All of these things combine to maintain the small town atmosphere that makes South Pasadena one of California's most desirable communities. Centrally located in the West San Gabriel Valley, South Pasadena is known for its tree-lined streets, historic California Craftsman-style homes, unique small businesses and its outstanding public schools. South Pasadena prides itself on its unique character. Less than three and one-half square miles in area, the City lies between the far larger City of Pasadena, San Marino, Alhambra and the metropolis of Los Angeles. Small, proud and independent, the City of South Pasadena has persisted for more than a hundred years to preserve its status as a unique and distinctive community.

Housing & Real Estate Profile

Average Home Value (2007)	\$824,000
Total Housing Units	12,980
Owner Occupied	43.9%
Renter Occupied	56.1%
Vacancy Rates (2000)	
Homeowner	8.0%
Renter	2.1%

Income Profile

Median Household Income (2000) \$58,943



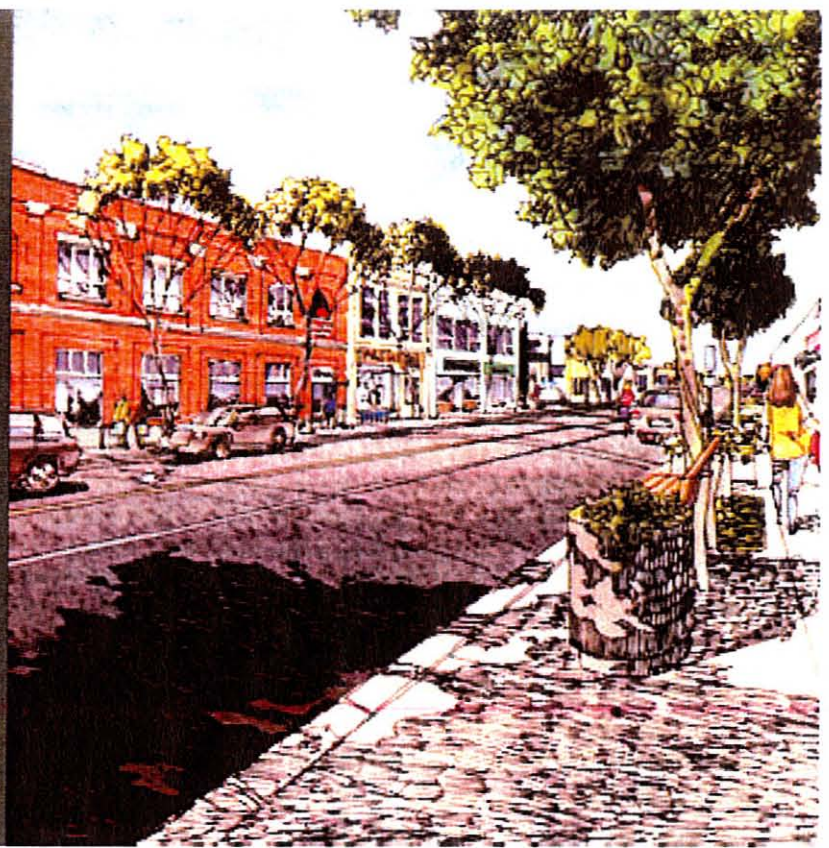
Downtown Revitalization Project: Important Dates & Milestones

2003	A Community Redevelopment Commission (CRC) was established to complete the Downtown Redevelopment Project
2004	The CRC produced the Framework For Development, which established criteria for planning, design and zoning within the downtown area. It also included a plan for community involvement and addressed parking in the downtown area. The CRC began city-wide community outreach by launching the Staying Small Successfully campaign. A questionnaire was mailed out with over 1200 responses.
2004	The Request for Qualifications (RFQ) was issued
2005	The City Council entered into an Exclusive Negotiation Agreement with Decoma Developers
2005	Decoma hosted over 80 Town Talks community meetings with proposed architects of the project Kaplan, McLaughlin Diaz (KMD)
2006	The City Council and Decoma Developers entered into a Disposition and Development Agreement
2006	Decoma applied for a Planned Development Permit and partnered with the Community Redevelopment Agency to create the project team
2007	A contract to prepare the Environmental Impact Report (EIR) was awarded to RBF Consulting Group
2008	On May 21, 2008, the City Council/Community Redevelopment Agency approved the project
2008	In November, residents voted in support of the project by passing Measure SP
2009	The City and Decoma entered into a (separation) settlement agreement, where the City retained all pertinent documents including drawings, EIR and purchased a key property in the project area
2010	The City Council reconvenes the Community Redevelopment Commission
2010	In June, the City Council voted to extend the land-use entitlements for the project
2010	In June, the City completed a Retail Analysis and Land Use Study
2010	In August, the Community Redevelopment Agency/City Council approved the Five Year Implementation Plan which includes the Downtown Revitalization Project

There are no pending challenges related to the project. Lawsuits have either been defeated by the City or the statute of limitations have run out.

Project Description

The Downtown Revitalization Project will be a low-density collection of seven buildings served by underground public parking, and highlighted by a town plaza and pedestrian pathways. It is located within the boundaries of Mission Street, Fair Oaks Avenue, Oxley Street, and Mound Avenue, and also includes the City's surface parking lot at the corner of Mound Avenue and Hope Street.



The Site

The project site consists of a three-block area, bounded by Hope Street to the north, Fair Oaks Avenue to the east, Oxley Street to the south, and Mound Avenue to the west. The area within these parameters totals 5.5 acres, and is owned by 18 separate entities. The City's Community Redevelopment Agency ("CRA") owns 3 parcels in the main footprint of the project, as well as the parking lot located on Hope and Mound.

Currently, there are three commercial banks that anchor each prominent corner of the primary area of the site beginning at the corner of Mission Street and Fair Oaks Avenue and heading south on Fair Oaks Avenue. Along the edges of the site that border Fair Oaks and Mission, there are eight retailers, three service providers, one nail salon and two restaurants that will remain. A property on the south side of El Centro Street, which was previously a nursery, completes the existing uses. The remaining area is a surface level parking lot. The study area also includes a city-owned parking lot at the south east corner of Hope Street and Mound Avenue, just north of Mission Street.

The general topography of the land is mainly flat on the Hope/Mound parking lot, and slightly sloping to the south of Mission Street, where a majority of the project would

be built. The land in the project area is zoned Commercial General (C-G).

Surrounding land uses include a variety of commercial, retail, service, residential, and Civic Center uses. There are residential and commercial uses to the north of Hope Street. Businesses located to the east of the project site include Comerica Bank, Rite Aid, and Wells Fargo Bank/Starbucks. There is a mixture of retail, restaurant, service, and residential uses to the south. Properties to the east of the project site include a culinary arts school, restaurants and service businesses, and City Hall.

The Project

The Downtown Revitalization Project involves the development of five building sites within the three-block area connected by pedestrian paths, gathering spaces and a town plaza. Overall, the project would involve the following: Retail: 22,379 s.f.; Restaurant: 8,390 s.f.; Office: 3,593 to 6,543 s.f.; Banking: 5,179 s.f.; Residential: up to 60 units; Bowling Alley: 5,100 s.f.; and Parking: 427 spaces total.

BUILDING SITE A

Southwest Corner of Mission Street and Fair Oaks Avenue

Development of Building Site A would require the demolition

of the Citizens Bank Building for the construction of a new 34,176 s.f., two-story structure that includes: 10,019 s.f. of commercial space on the ground level, 12 residential units on the second level, 3 retail storefronts on Mission Street; a café facing the town plaza, and Citizens Business Bank relocated on Fair Oaks Avenue. The architecture suggests a series of smaller buildings. Parking will be located in a subterranean garage, two levels below Building Sites C and D. Eight surface spaces are reserved for Citizens Business Bank patrons.

Conceptual Site Plan



BUILDING SITE A1

Mission Street, just west of Edison Lane

Development of Building Site A1 involves the construction of a new 10,917 s.f., 2-story structure including: 4,790 s.f. of commercial space on the ground level and 3,593 s.f. of office uses on the second level. The architecture is inspired by the design of a building that once occupied the site. Parking will be located in a two-level subterranean garage below Building Sites C and D.

BUILDING SITE B

Southeast corner of Hope and Mound

Development of Building Site B involves the construction of a new 58,134, one and a half story structure that will include a public/private parking structure containing: 30 spaces underground for residents, 59 spaces at split-level above ground for public use, and 14 residential units above. The architecture resembles light industrial/office building that was converted to loft housing.

BUILDING SITE C

Southeast corner of Mound and El Centro

Development of Building Site C would require the demolition of a building previously used as a plant nursery, and the construction of a new 24,796 s.f. building to include: 5,741 s.f. of retail uses, 12 residential units for affordable senior housing, and 3 additional units, or office spaces. The site is designed architecturally as two distinct buildings (one large; one small). The larger building resembles a large home with

3 levels; the smaller building is suggestive of the "home's" detached garage. Parking for this site is available on El Centro Street (24 spaces "angle style"), a two-level subterranean parking garage to be built below Building Sites C and D, and 12 surface spaces on Building Site C reserved for the Senior residents.

BUILDING SITE D

Northeast corner of Mound and El Centro

Development of Building Site D would involve the construction of a new 54,159 s.f. structure including: 5,928 s.f. of retail space, a 5,100 s.f. bowling alley, 4,350 s.f. of restaurant space, and 19 housing units. The building is architecturally designed as two distinct buildings (one large; one small): The larger building would be three stories with ground floor retail and a bowling alley, and residential uses above. The smaller structure is a pavilion building, which resembles an old train station. Parking would be provided by the 24 public spaces on El Centro Street (angle style), subterranean parking garage to be built below Building Sites C and D, and 14 surface spaces on Sites D and C reserved for Bank of America daytime patrons.

TOWN PLAZA & PEDESTRIAN PATHS

Development of the five building sites within the three-block area will be connected by pedestrian paths, gathering spaces and a town plaza. The Town Plaza consists of 6,200 s.f. which includes the main area (4,200 s.f.), and a sub area (2,000 s.f.).

Current Status / Agency Participation / Financial Support



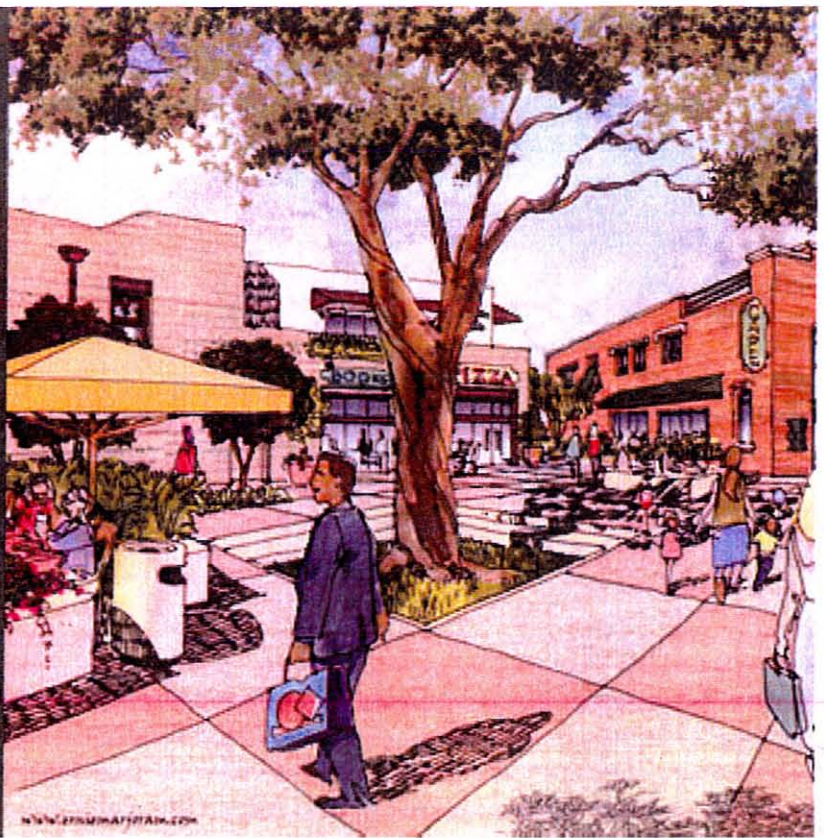
At this point the CRA owns the plans, entitlements and certified environmental impact report. Furthermore, as a result of the separation agreement between the CRA and the former developer, the CRA purchased a key property within the proposed project area which will comprise Building Site C as described in the body of the RFQ.

The CRA anticipates entering into an Exclusive Negotiation Agreement with the selected developer, and working towards agreement on a disposition and development agreement which will include a transfer of said entitlements and plans. However, except for a few city-owned parcels, a majority of the project area is currently owned by different owners. For the development to proceed and succeed, some or all of the properties necessary for the logical development of a revitalization effort may need to be acquired. Subject to the laws and the rights of the current owners, the Agency may assist with that acquisition.

Recently, the City has completed a Retail Analysis and Land Use Study which should be very helpful for the new developer as it contains valuable information in regards to spending patterns of local residents, types of businesses that would be attracted to South Pasadena and the highest and best use of city-owned and privately owned properties throughout the City.

The previous developer was successful in reaching agreement with the largest landowners, Bank of America and Citizens Business Bank. However, those agreements are no longer valid since the developer withdrew from the project and stopped payment on the options. Therefore, a majority of financing for any proposed projects will require the exploration of other available funding sources in addition to private financing. The CRA has bond funds available to stimulate private investment to implement the vision. It will be used where necessary to make the project work.

Owner Participation / Re-Engagement of Property Owners



Reengaging the property owners within and in the surrounding area of the proposed project site, should be a top priority for the successful developer. Owner Participation Agreements, Purchase and/or Sale Agreements and/or Option Agreements would need to be renegotiated.

City Staff, the Community Redevelopment Commission and the Community Redevelopment Agency will assist in promoting and coordinating opportunities to encourage an open dialogue of both supporters and those with concerns in regards to the proposed project. The ultimate goal is to move forward with the project in an efficient and effective manner.

One integral component included in the disposition and development agreement with the previous developer, was the commitment to fund façade improvements for the Rialto Theatre in the amount of \$250,000. The Rialto is located immediately adjacent to the proposed project site. The Rialto Theatre is privately owned and there is approximately 15 years remaining on a lease held by Landmark Theatres. Furthermore, as it stands now, the Rialto is a "legal nonconforming property" with no dedicated parking. Recently, due to fire code violations, the Theatre was shut down by the City. Nevertheless, a new Disposition and Development Agreement with the developer that is ultimately selected may include elements to support the viability of the theatre.

Proposal Submittal

- A. The proposer shall submit an original and five (5) copies of its statement by **4:00 PM on Monday, January 31, 2011** to:

Sergio Gonzalez, Assistant City Manager
City of South Pasadena
1414 Mission Street
South Pasadena, CA 91030

Statements received after **4:00 PM on Monday, January 31, 2011**, may, at the sole discretion of the city, be rejected without review.

The city shall not be responsible for, nor accept as a valid excuse for late proposal delivery, any delay in mail service or other method of delivery used by the proposer.

B. Pre-Proposal Conference

A conference to discuss this RFQ and answer questions from prospective proposers prior to proposal submittal will be held in open forum at **10:00 AM on Wednesday, December 8, 2010 at 1414 Mission Street, South Pasadena, City Council Chambers**. While attendance at the meeting is not a prerequisite for submitting a proposal, all prospective proposers are strongly encouraged to attend. Minutes or other record of the conference will not be disseminated, except where material changes to this RFQ are made by city representatives or answers to questions are deferred and later communicated as part of an addendum to this RFQ.

C. Questions from Proposers

Proposers are asked to defer all questions regarding this RFQ until the pre-proposal conference. Where questions are known in advance, proposers are encouraged to submit these in writing at least two (2) days prior to the conference. Written questions are to be submitted to the Assistant City Manager at the address shown above for proposal submittal or by fax to (626) 403-7211.

D. No Commitment to Award

Issuance of this RFQ and receipt of statements does not commit the City to award a contract or agreement. The City expressly reserves the right to postpone the proposal opening for its own convenience, to accept or reject any or all proposals received in response to this RFQ, or to cancel all or part of this RFQ.

E. Proposed Agreement

The proposer selected for award through this RFQ shall enter into a written EXCLUSIVE RIGHT TO NEGOTIATE (ERN) for a period of 90 to 180 days.

Submission Requirements

Eligible Organization

Proposals will be accepted from for-profit or nonprofit organizations, corporations, sole proprietors, partnerships and any other organization legally formed to do business in the United States.

Presentation

Proposals shall be submitted in 8 1/2" x 11" size pages, using a simple method of fastening. Proposals should be typed and should not include any unnecessary elaborate or promotional material. Lengthy narrative is discouraged; presentations should be brief and concise. The form, content and sequence of the proposal should follow the outline presented below.

Proposal Content

1. TRANSMITTAL LETTER / INTRODUCTION

The letter of transmittal shall be addressed to the Assistant City Manager and must, at a minimum, contain the following:

- a. Identification of the offering organization(s), including name, address and telephone number of each participating organization;
- b. Proposed working relationship among the offering firms (e.g., prime-subcontractor), if applicable;
- c. Acknowledgment of receipt of RFQ addenda, if any;
- d. Name, title, address and telephone number of contact person during period of proposal evaluation;
- e. Identification of any information contained in the proposal which the proposer deems to be, and establishes as, confidential or proprietary and wishes to be withheld from disclosure to others under the state Public Records Act (a blanket statement that all contents of the proposal are confidential or proprietary will not be honored by the city); and
- f. Signature of a person authorized to bind the offering organization to the terms of any proposal.

2. TABLE OF CONTENTS

Immediately following the transmittal letter and introduction, there should be a complete table of contents for material included in the proposal.

3. QUALIFICATIONS, RELATED EXPERIENCE, AND REFERENCES

- a. *Overview:* This section should establish the ability of the proposer (and its subcontractors, if any) to satisfactorily perform the required work by reasons of: demonstrated competence in the services to be provided; the nature and relevance of similar work currently being performed or recently completed; record of meeting schedules and deadlines of other clients; competitive advantages over other organizations in the same industry; strength and stability as a business concern; and supportive client references. Information should be furnished for both the proposer and any subcontractors included in the offer.
- b. Furnish background information about your organization, including date of founding, legal form (non-profit, service delivery organization, corporation/state of incorporation), evidence of current 501(c)(3) tax-exempt status from the Internal Revenue Service, condition of standing with the California Secretary of State, number and location of offices, principal lines of business, number of employees, days/hours of operation and other pertinent data. Disclose any conditions (e.g., bankruptcy, pending litigation, planned office closures, impending merger) that may affect the proposer's ability to perform

contractually. Certify that the firm is not debarred, suspended or otherwise declared ineligible to contract by any federal, state or local public agency.

- c. Provide information on past projects and describe your organization's most noteworthy qualifications for developing a mixed-use commercial retail and housing project in circumstances similar to those anticipated for the downtown of the City of South Pasadena. Specifically, highlight those qualifications that distinguish you from your competitors.
- d. Provide a list of business clients, including public sector references, to which your organization has and is currently providing similar services/products. Include company names, beginning/ending dates of involvement, and names, titles and telephone numbers of individuals that the city can contact as references for your firm.

4. PROPOSED STAFFING AND PROJECT ORGANIZATION

- a. *Overview:* This section should discuss the staff who would be responsible for carrying out the planning and development of the South Pasadena downtown revitalization effort.
- b. Identify the key personnel from your organization that would be assigned to this project. Include a brief description of their qualifications, job functions and office locations. Indicate a Project Manager who would provide day-to-day direction and who would be the City's primary contact person. Furnish brief resumes (not more than two pages long) for all key personnel; include these as an appendix, not in the body of the proposal.
- c. *Community Reengagement:* Clearly identify the elements you will include in an effort to reengage the business community, affected property owners and the South Pasadena residents.

5. FINANCIAL CAPACITY AND PAST PERFORMANCE

- a. *Financial Statement:* Provide one (1) copy of a current financial statement and one (1) copy of the financial statements for the previous two years for the Proposer organization, prepared by a licensed Auditor. Provide these in a separate sealed envelope clearly marked "Confidential Information." This information will be held confidential.
- b. Provide information for any developments of the Proposer where any of the items listed below have occurred and in which the organization or any of its principals are involved. This statement must disclose and explain the following:
 - 1. Current financial default of more than 60 days duration
 - 2. Mortgage assignment or workout arrangement
 - 3. Foreclosure
 - 4. Bankruptcy
 - 5. Litigation relating to financing or construction of the project which is pending or which was adjudicated with a finding of liability against the Proposer
 - 6. Real Estate Tax Delinquencies

6. PROPOSED REVITALIZATION OF THE DOWNTOWN AREA OF SOUTH PASADENA

Describe your organization's approach to addressing the revitalization goals for the downtown and the process of small scale in-fill development.

7. APPENDICES

- a. *Supporting Documents:* Furnish as appendices those supporting documents (e.g., financial statements, staff resumes, examples of similar projects) requested in the preceding instructions.
- b. *Additional Information:* Include any additional information you deem essential to a proper evaluation of your proposal and which is not solicited in any of the preceding sections.

Proposal Evaluation and Contract Award

Evaluation Panel

An Evaluation Panel consisting of members of the Community Redevelopment Commission will be responsible for reviewing, analyzing and evaluating the proposals received. The evaluation panel will rank all proposals based on the selection criteria stated in this RFQ. Please note that substitutions, additions or deletions to the proposal that is submitted shall not be allowed during the evaluation period.

Evaluation Criteria

By use of numerical and narrative scoring techniques, proposals will be evaluated by the Evaluation Panel against the factors specified below. Within each evaluation criterion listed, the sub-criteria to be considered are those described in the "Proposal Format and Content" section of this RFQ.

1.	Proposer's demonstrated financial capacity to undertake and successfully complete a project of this scope.	30 points
2.	Proposed Staffing and Organization of the Proposer and staff designated to this program.	30 points
3.	Proposer's Qualifications and Experience.	30 points
4.	<i>Miscellaneous:</i> Completeness of proposal, adherence to RFQ instructions, other relevant factors not considered elsewhere	10 points
Total Points		100 points

Upon selection of the most qualified proposers, the City may require the finalists to make an oral presentation to the Evaluation Panel and/or the Board of Commissioners to further explain their proposals. If such interviews are conducted, the presentations will also be factored into the final scores assigned to the proposals. However, proposers are advised that award may be made without interviews or further discussion.

The City expressly reserves the right to reject any or all proposals, in its sole discretion, and to waive any irregularities or informalities in the offers received. In the event of any such rejection, or in the event a proposer's offer is not rejected but does not result in an award, the City shall not be liable for any costs incurred by the proposer in connection with the preparation and submittal of the proposal.

Award of Exclusive Right to Negotiate

It is the intent of the City to enter into an Exclusive Right to Negotiate Agreement with a single entity as a result of this RFQ. However, the City reserves the right to apportion the requirements of this RFQ among multiple awardees if this is determined to be in the City's best interests.

Selection Period

The City intends to evaluate and accept a proposal within ninety (90) days of its receipt. After approval by the Board of Commissioners, the City and the Proposer will execute the Exclusive Right to Negotiate. The City may, in its sole discretion, extend the selection period if there is reason to do so.
